The background of the slide features a large, faint, circular seal of the State of Indiana. The seal contains the text "THE STATE OF INDIANA" at the top and "1816" at the bottom. In the center of the seal is a landscape with a rising sun, a river, and a plowman. The seal is rendered in a light gray color against a dark gray background.

# CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT

## Overview of Education Provisions

Indiana Commission for Higher Education

March 30, 2020

# OVERVIEW

- ▶ The Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law on March 27, 2020
- ▶ The CARES Act provides over \$30 Billion to K-12 and higher education to mitigate the impact of the COVID-19 pandemic
- ▶ In addition to billions in funding, numerous regulations have been relaxed or suspended to help states and individuals address the crisis



CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT

---

# EDUCATION STABILIZATION FUND



INDIANA COMMISSION *for*  
HIGHER EDUCATION

# EDUCATION STABILIZATION FUND

- ▶ The Education Stabilization Fund (ESF) is the main source of funding for K-12 and Higher Education in the CARES Act
- ▶ The ESF provides \$30.135 billion across three funds:
  - ▶ The Governor's Emergency Education Relief Fund
  - ▶ The Elementary and Secondary School Relief Fund
  - ▶ The Higher Education Emergency Relief Fund



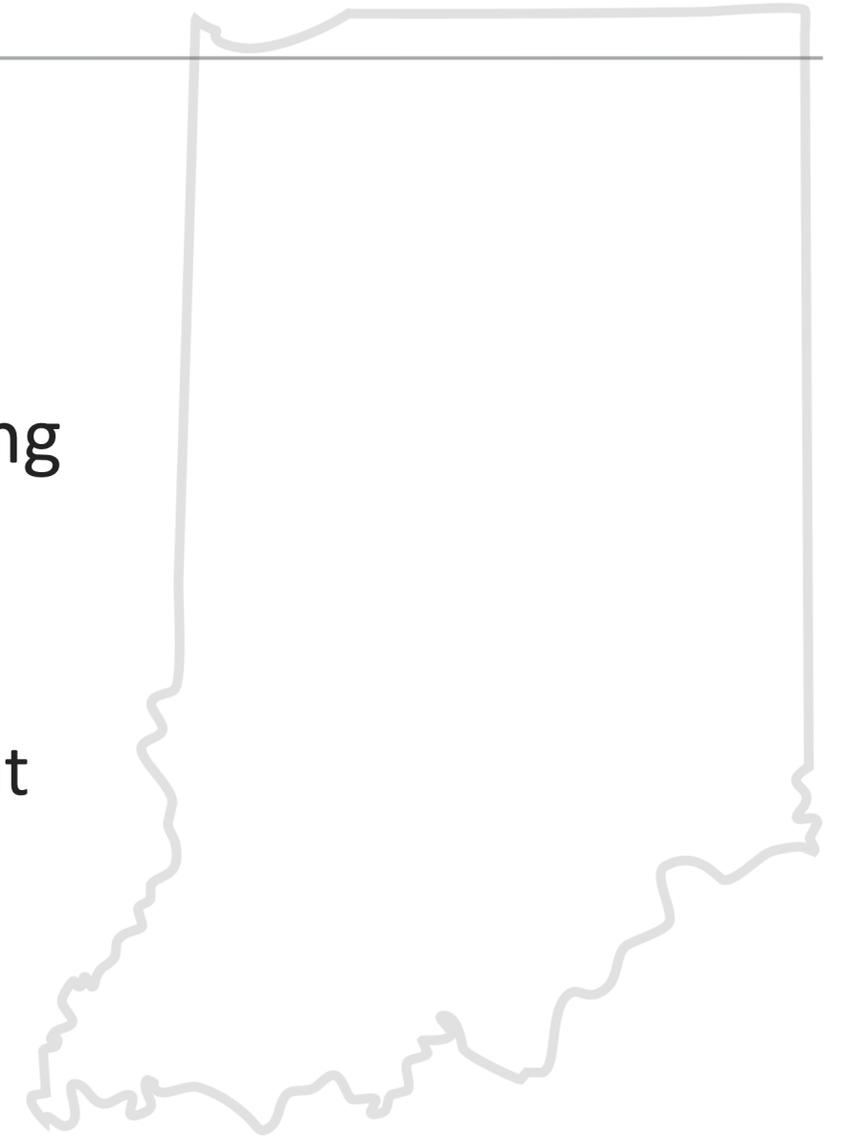
# EDUCATION STABILIZATION FUND

- ▶ The United States Department of Education (USDOE) will administer the ESF and must open applications no later than April 26
- ▶ The USDOE must approve or deny applications within 30 days of their submission
- ▶ All funds distributed under the ESF not used within one year must be returned



# EDUCATION STABILIZATION FUND

- ▶ States must give assurances that K-12 and higher education funding for fiscal years '20 and '21 will be no less than the average of the past three years
  - ▶ The higher education average includes state need-based financial, but not merit or other aid
  - ▶ The higher education average excludes capital projects, R&D, and tuition and fees paid by students
- ▶ The USDOE may waive the continuation of funding requirement for states that have experienced a precipitous decline in financial resources



CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT

---

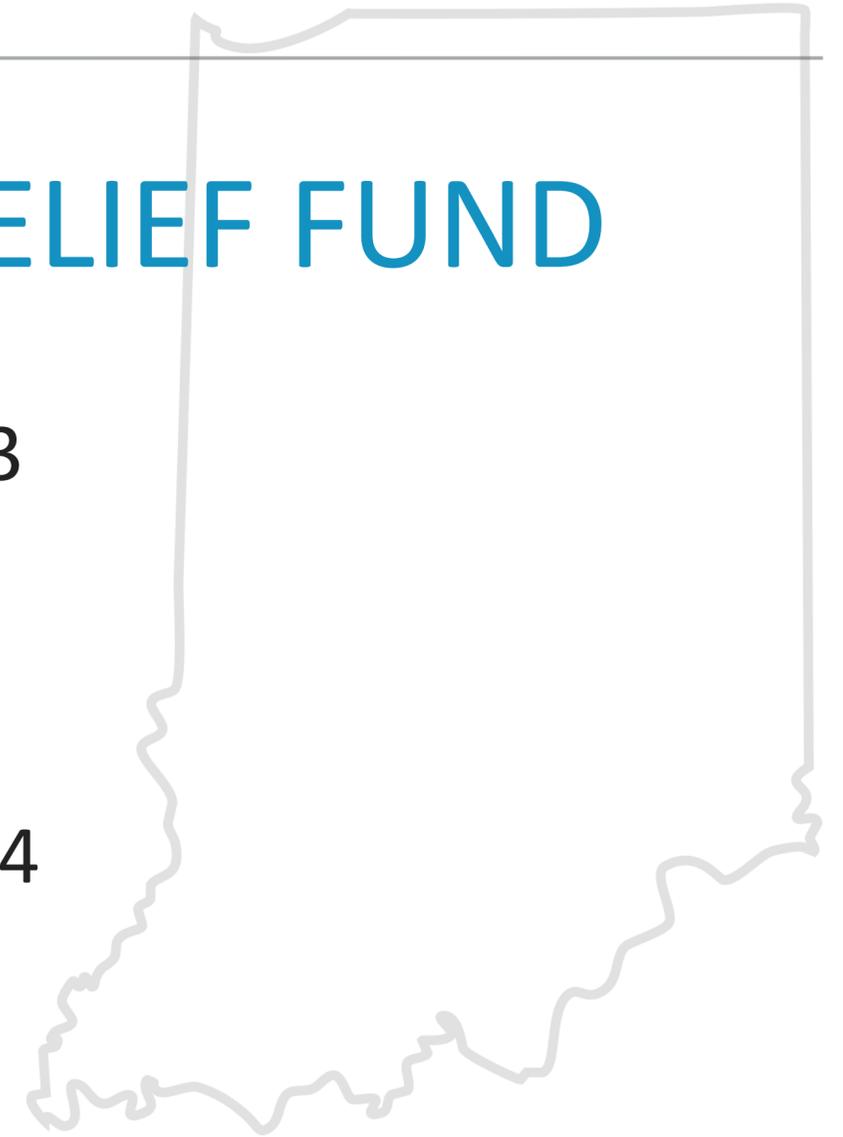
# GOVERNOR'S EMERGENCY EDUCATION RELIEF FUND



INDIANA COMMISSION *for*  
HIGHER EDUCATION

# GOVERNOR'S EMERGENCY EDUCATION RELIEF FUND

- ▶ The Governor's Emergency Education Relief Fund provides \$2.953 billion in funding
- ▶ The amount a state receives is based 60% on population ages 5-24 and 40% on the population of children counted under the Elementary and Secondary Education Act of 1965
- ▶ Funds may be used to provide emergency support through grants



# GOVERNOR'S EMERGENCY EDUCATION RELIEF FUND

Funds may be awarded to:

- ▶ Local educational agencies (LEAs) the state educational agency deems have been most significantly impacted
- ▶ Institutions of higher education the Governor determines have been most significantly impacted
- ▶ Any other entity the Governor deems essential for carrying out emergency educational services to students



CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT

---

# ELEMENTARY AND SECONDARY SCHOOL RELIEF FUND



INDIANA COMMISSION *for*  
HIGHER EDUCATION

# ELEMENTARY AND SECONDARY SCHOOL RELIEF FUND

- ▶ The Elementary and Secondary School Relief Fund provides \$13.229 billion in funding
- ▶ States receive an amount proportionate to the amount of funding received under Title I
- ▶ Funds are awarded to state educational agencies and they distribute the funds to LEAs



# ELEMENTARY AND SECONDARY SCHOOL RELIEF FUND

## LEAs may use the funds for:

- ▶ Any activity authorized by the ESEA, IDEA, the Adult Education and Family Literacy Act, the Perkins Act, or subtitle B of title VII of the McKinney Vento Homeless Assistance Act
- ▶ Coordination of preparedness and response efforts of LEAs with State, local, tribal, and territorial public health departments
- ▶ Providing principals and other school leaders with the resources necessary to address the needs of their individual schools
- ▶ Activities to address the unique needs of low-income children or students, children with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, and foster care youth
- ▶ Developing and implementing procedures and systems to improve the preparedness and response efforts of LEAs
- ▶ Training and professional development for staff of the LEA on sanitation and minimizing the spread of infectious diseases
- ▶ Purchasing supplies to sanitize and clean the facilities of a LEA, including buildings operated by such agency
- ▶ Planning for and coordinating during long term closures
- ▶ Purchasing educational technology for students who are served by the LEA
- ▶ Providing mental health services and supports
- ▶ Planning and implementing activities related to summer learning and supplemental after school programs
- ▶ Other activities which are necessary to maintain the operation of and continuity of services in LEAs and continuing to employ existing staff of the LEA



CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT

---

# HIGHER EDUCATION EMERGENCY RELIEF FUND



INDIANA COMMISSION *for*  
HIGHER EDUCATION

# HIGHER EDUCATION EMERGENCY RELIEF FUND

- ▶ The Higher Education Emergency Relief Fund provides \$13.953 billion in funding
- ▶ The USDOE will award funds directly to institutions of higher education including public, private and for-profit institution
- ▶ Funds will be awarded to institutions through three separate processes



# HIGHER EDUCATION EMERGENCY RELIEF FUND

- ▶ The first process allocates 90% (\$12.558 billion) directly to institutions through the Title IV distribution system
  - ▶ Awards are based 75% on an institution's full-time equivalent enrollment (FTE) of Pell students and 25% on the FTE of non-Pell students
  - ▶ Online only students are removed from the calculation
- ▶ A least 50% of funds must provide direct emergency aid to students
- ▶ Institutions may use the remaining funds broadly to deal with changes in delivery of education caused by the coronavirus



# HIGHER EDUCATION EMERGENCY RELIEF FUND

- ▶ The second process allocates 7.5% (\$1.047 billion) for minority-serving institutions
- ▶ The third process allocates 2.5% (\$349 million) for grants to institutions particularly impacted by coronavirus
  - ▶ Priority for these funds is given to institutions awarded less than \$500,000 and still have significant unmet need



CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT

---

# NATIONAL EMERGENCY WAIVERS



INDIANA COMMISSION *for*  
HIGHER EDUCATION

# NATIONAL EMERGENCY WAIVERS

- ▶ The USDOE may provide waivers from provisions in the ESEA that are necessary and appropriate due to the COVID-19 declaration of disaster
- ▶ State educational agencies and LEAs may request waivers
  - ▶ IDOE and individual school corporations may request waivers
- ▶ The USDOE may not waive civil rights laws



CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT

---

# SUSPENSION OF STUDENT LOAN PAYMENTS



INDIANA COMMISSION *for*  
HIGHER EDUCATION

# SUSPENSION OF STUDENT LOAN PAYMENTS

- ▶ The USDOE is required to suspend payments for most federally held student loans through September 30, 2020
- ▶ The suspension does not apply to Perkins Loans, most Federal Family Education Loans or private student loans
- ▶ Interest will not accrue on suspended loans through September 30, 2020



# SUSPENSION OF STUDENT LOAN PAYMENTS

- ▶ The suspended months will count toward federal loan forgiveness programs including the Public Service Loan Forgiveness program
- ▶ Borrowers can elect to continue paying during the suspension period
- ▶ Garnishment for borrowers in default is also suspended during this period



CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT

---

# FEDERAL WORK STUDY FLEXIBILITY



INDIANA COMMISSION *for*  
HIGHER EDUCATION

# FEDERAL WORK STUDY FLEXIBILITY

- ▶ Institutions no longer have to match federal funds for Federal Work Study (FWS) students employed on campus
- ▶ FWS funds may now cover up to 90% if the employer is a private non-profit organization and up to 50% if the employer is a private for-profit organization
- ▶ Institutions may pay FWS recipients for up to one year even if the student is unable to perform the work due to a qualifying emergency



CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT

---

# EMERGENCY FINANCIAL AID



INDIANA COMMISSION *for*  
HIGHER EDUCATION

# EMERGENCY FINANCIAL AID

- ▶ Institutions may use the Federal Supplemental Education Opportunity Grant (SEOG) funding to provide emergency grant aid to students
- ▶ Emergency grant aid may be award to undergraduate and graduate students
- ▶ Institutions may transfer Federal Work Study funds to their SEOG fund to provide additional emergency grants



CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT

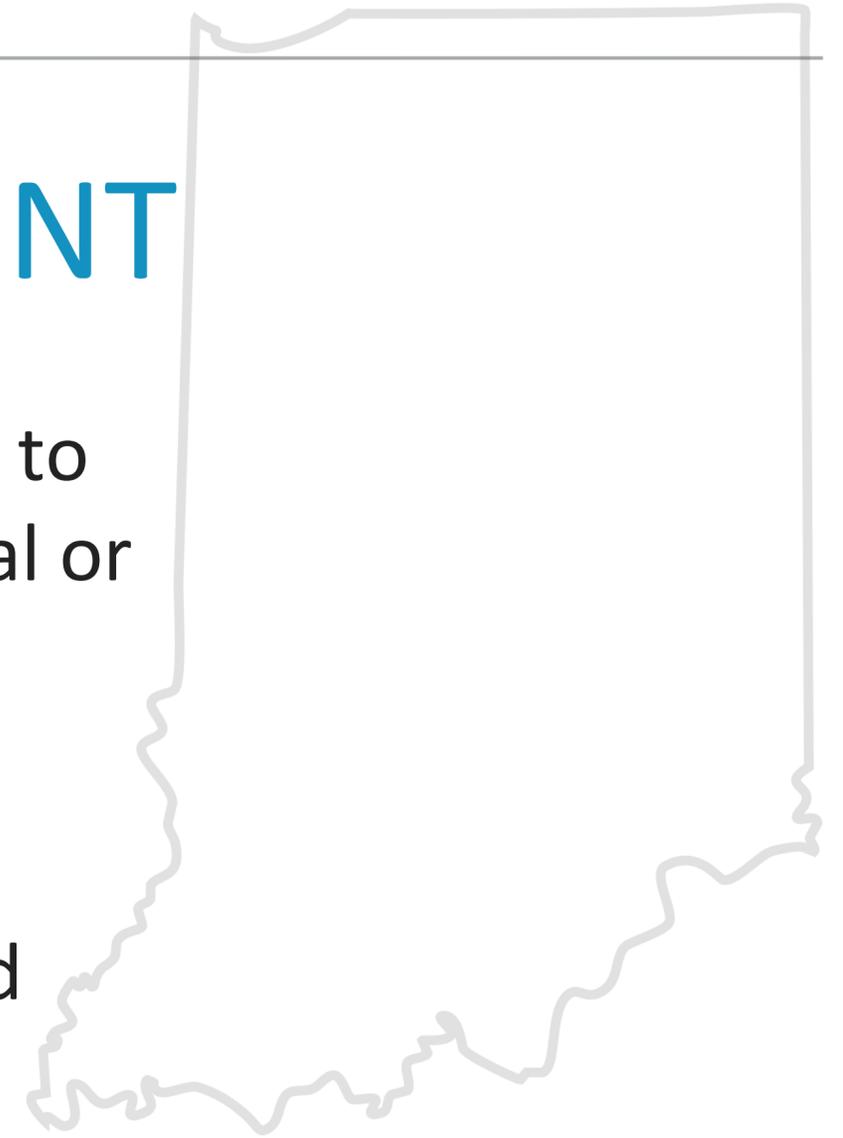
---

# FINANCIAL AID LIMITS AND REPAYMENT



# FINANCIAL AID LIMITS AND REPAYMENT

- ▶ Federal Direct Loans awarded during a term a borrower is unable to complete due to a qualifying emergency are excluded from annual or cumulative limits
  - ▶ It is unclear whether this applies to just subsidized direct loans
- ▶ Borrowers are relieved of the obligation to repay loans associated with a term a borrower withdrew from due to a qualifying emergency
  - ▶ Applies to Federal Direct Loans, but not Perkins Loans



# FINANCIAL AID LIMITS AND REPAYMENT

- ▶ Pell Grants awarded during a term a recipient is unable to complete due to a qualifying emergency are excluded from annual or cumulative limits
- ▶ The USDOE is only required to exclude these Direct Student Loan and Pell amounts from annual and cumulative limit if USDOE can administer the provisions in a way which “limits complexity and burden on the student”



CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT

---

# SATISFACTORY ACADEMIC PROGRESS



INDIANA COMMISSION *for*  
HIGHER EDUCATION

# SATISFACTORY ACADEMIC PROGRESS

- ▶ Institutions may exclude attempted credits from terms impacted by a qualifying emergency in determining the pace portion of SAP without an appeal
- ▶ This does not apply to the minimum GPA or maximum timeframe components of SAP
- ▶ Students will still need to appeal if their GPA was negatively impacted



CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT

---

# TEACH GRANT AND TEACHER LOAN FORGIVENESS



INDIANA COMMISSION *for*  
HIGHER EDUCATION

# TEACH GRANT AND TEACHER LOAN FORGIVENESS

- ▶ TEACH Grant recipients may count a partial academic year as a full academic year towards the TEACH Grant service obligations if the academic year was shortened due to the COVID-19 pandemic
- ▶ Teachers do not need to teach consecutive years for Teacher Loan Forgiveness eligibility if:
  - ▶ a teacher's service is temporarily interrupted as a result of the COVID-19 pandemic, and
  - ▶ the teacher resumes service after the interruption in teaching



CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT

---

# TITLE IV AID REFUND FLEXIBILITY



INDIANA COMMISSION *for*  
HIGHER EDUCATION

# TITLE IV AID REFUND FLEXIBILITY

- ▶ Institutions do not need to return Title IV financial aid if a student withdrew due to a qualifying emergency
  - ▶ This provision does not apply to FWS
- ▶ Students do not need to return Title IV financial aid if they withdrew during a payment period due to a qualifying emergency
- ▶ Institutions may allow students to take a leave of absence without returning at the same point in their academic program if they return in the same semester



CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT

---

# CORPORATION FOR NATIONAL AND COMMUNITY SERVICE



INDIANA COMMISSION *for*  
HIGHER EDUCATION

# CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

- ▶ National Service Corps programs may award participants educational awards they were due to receive before their duties had been suspended or placed on hold during the COVID-19 declaration of disaster
- ▶ The age limits and the terms of service are extended to allow individuals serving in national service programs to continue participating after the COVID-19 declaration of disaster ends



CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT

---

# FOREIGN INSTITUTIONS AND TITLE IV AID



INDIANA COMMISSION *for*  
HIGHER EDUCATION

# FOREIGN INSTITUTIONS AND TITLE IV AID

- ▶ Eligible programs at foreign institutions may continue to be eligible for Title IV aid if offered via distance education
- ▶ The program must have been offered in whole or part by the foreign institution from March 1, 2020 through March 27, 2020



CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT

---

# MODIFICATION OF FEDERAL GRANTS



INDIANA COMMISSION *for*  
HIGHER EDUCATION

# MODIFICATION OF FEDERAL GRANTS

- ▶ The USDOE may waive or modify current allowable uses of funds for institutional grant programs
- ▶ These programs include TRIO, GEARUP, Title III, Title V, and sections of Title VII of the Higher Education Act of 1965
- ▶ Waivers and modification run through September 30 of the fiscal year following the end of the qualifying emergency

